



PROPOSED RULE MAKING

CR-102 (June 2004)

(Implements RCW 34.05.320)

Do NOT use for expedited rule making

Agency: Department of Licensing

- ☒ Preproposal Statement of Inquiry was filed as WSR 05-23-148 ; or
☐ Expedited Rule Making--Proposed notice was filed as WSR _____; or
☐ Proposal is exempt under RCW 34.05.310(4).

- ☒ Original Notice
☐ Supplemental Notice to WSR _____
☐ Continuance of WSR _____

Title of rule and other identifying information: (Describe Subject) (AMENDATORY SECTION) WAC 308-125-010 Definitions; (AMENDATORY SECTION) WAC 308-125-020 Application process to take examination; (NEW SECTION) WAC 308-125-025 Application process to register as a real estate appraiser trainee; (AMENDATORY SECTION) WAC 308-125-030 Examination prerequisite general classification; (AMENDATORY SECTION) WAC 308-125-040 Examination prerequisite state-certified residential classification; (AMENDATORY SECTION) WAC 308-125-045 Examination prerequisite state-licensed classification; (AMENDATORY SECTION) WAC 308-125-050 Educational courses - Preexamination; (AMENDATORY SECTION) WAC 308-125-065 Education credit for teachers of approved real estate appraisal courses; (AMENDATORY SECTION) WAC 308-125-070 Experience requirements; (AMENDATORY SECTION) WAC 308-125-075 Allowed credits for appraisal experience; (AMENDATORY SECTION) WAC 308-125-090 Continuing education required; (NEW SECTION) WAC 308-125-095 Responsibilities of the appraiser supervisor; (AMENDATORY SECTION) WAC 308-125-110 Business location and/or physical address and mailing address; (AMENDATORY SECTION) WAC 308-125-120 Fees and charges; (AMENDATORY SECTION) WAC 308-125-200 Standards of practice; (AMENDATORY SECTION) WAC 308-125-210 Required records--Accessibility of records to the department of licensing; and (AMENDATORY SECTION) WAC 308-125-225 Meetings--Notice.

Hearing location(s): Business and Professions Division
Business and Professions Division
405 Black Lake Boulevard
Olympia, WA
Second Floor, Conference Room 209

Submit written comments to:

Name: Ralph Birkedahl
Address: Department of Licensing, Real Estate Appraiser Program, PO
Box 9015, Olympia, WA 98607-9015
e-mail rnotestine@dol.wa.gov
fax (360)664-6504 by (date) February 20, 2006

Date: February 22, 2006 Time: 3:00 pm

Assistance for persons with disabilities: Contact

Rick Notestine by February 20, 2006
TTY (360) 664-8885 or (360) 664-6504

Date of intended adoption: February 22, 2006

(Note: This is NOT the effective date)

Purpose of the proposal and its anticipated effects, including any changes in existing rules: Incorporation of the new appraiser qualifications criteria established by the Appraiser Qualifications Board of the Appraisal Foundation and implementation of changes requiring that real estate appraiser trainees become registered required by 18.140.280 RCW. This will require real estate appraiser trainees to register with the department, establish requirements for supervisory appraisers, eliminate redundancy and add clarity to existing language.

Reasons supporting proposal: To implement changes in the Appraiser Qualification Board's real property appraiser qualifications criteria and changes required by the enactment of HB 1395; to eliminate redundancy between RCW and WAC and to streamline and clarify existing language.

Statutory authority for adoption: RCW 18.140.030(1), (7), (8) and (15)**Statute being implemented:** RCW18.140.280**Is rule necessary because of a:**

Federal Law? ☐ Yes ☒ No
Federal Court Decision? ☐ Yes ☒ No
State Court Decision? ☐ Yes ☒ No
If yes, CITATION:

DATE

January 4, 2006

NAME (type or print)

Ralph Birkedahl

SIGNATURE**TITLE**

Acting Program Manager

CODE REVISER USE ONLY

CODE REVISER'S OFFICE
STATE OF WASHINGTON
FILED

JAN 4 2006

TIME 9:58 AM
WSR 06.02.083 PM

(COMPLETE REVERSE SIDE)

Agency comments or recommendations, if any, as to statutory language, implementation, enforcement, and fiscal matters:

Recommend that the changes be adopted as written.

Name of proponent: (person or organization) Department of Licensing, Real Estate Appraiser Program

☐ Private
☐ Public
☒ Governmental

Name of agency personnel responsible for:

Name	Office Location	Phone
Drafting..... Ralph Birkedahl	Olympia	(360) 664-6504
Implementation....Ralph Birkedahl	Olympia	(360) 664-6504
Enforcement..... Ralph Birkedahl	Olympia	(360) 664-6504

Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No. Explain why no statement was prepared.

There is no economic impact on small businesses. The changes will only affect individual trainees.

Is a cost-benefit analysis required under RCW 34.05.328?

☐ Yes A preliminary cost-benefit analysis may be obtained by contacting:

Name:

Address:

phone () _____

fax () _____

e-mail _____

☒ No: Please explain: The proposed changes have no financial impact on the department.

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

WAC 308-125-010 Definitions. (1) Words and terms used in these rules shall have the same meaning as each has in the Certified Real Estate Appraiser Act, (chapter 18.140 RCW) and the Uniform Standards of Professional Appraisal Practice (USPAP).

(2) ~~(("Appraisal" means the act or process of estimating value, an estimate of value, or of or pertaining to appraising and related functions.~~

~~(3) "Appraisal report" means any communication, written or oral, of an appraisal, review, or consulting service in accordance with the standards of professional conduct or practice, adopted by the director, that is transmitted to the client upon completion of an assignment.~~

~~(4) "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the value of specified interests in, or aspects of, identified real estate. The term "appraisal assignment" may apply to valuation work and analysis work.~~

~~(5) "Certified appraisal" means an appraisal prepared or signed by a state-certified real estate appraiser. A certified appraisal represents to the public that it meets the appraisal standards defined in this chapter.~~

~~(6) "Licensed appraisal" means an appraisal prepared or signed by a state-licensed real estate appraiser. A licensed appraisal represents to the public that it meets the appraisal standards defined in this chapter.~~

~~(7) "Department" means the department of licensing.~~

~~(8) "Director" means the director of the department of licensing.~~

~~(9) "Real estate" means an identified parcel or tract of land, including improvements, if any.~~

~~(10) "Real property" means one or more defined interests, benefits, or rights inherent in the ownership of real estate.~~

~~(11) "Specialized appraisal services" means all appraisal services which do not fall within the definition of appraisal assignment. The term "specialized appraisal service" may apply to valuation work and to analysis work. Regardless of the intention of the client or employer, if the appraiser would be perceived by third parties or the public as acting as a disinterested third party in rendering an unbiased analysis, opinion or conclusion, the work is classified as an appraisal assignment and not a specialized appraisal service.~~

~~(12) "State-certified real estate appraiser" means a person~~

who develops and communicates real estate appraisals, and who holds a valid certificate issued to him/her for either general or residential real estate under this chapter. A state-certified real estate appraiser may designate or identify an appraisal rendered by him/her as a "certified appraisal" and indicate which type of certification is held.

(13) "State-licensed real estate appraiser" means a person who develops and communicates real estate appraisals, and who holds a valid license issued to him/her for residential real estate under this chapter. A state-licensed real estate appraiser may designate or identify an appraisal rendered by him/her as a "licensed appraisal."

(14) "Advisory committee" means a committee of seven individuals, of whom at least five are real estate appraisers appointed by the director to provide technical assistance relating to real estate appraisal standards and real estate appraiser experience, education, and examination requirements that are appropriate for each classification of state-certified real estate appraiser.

(15)) "Appraisal Foundation" means a private association of appraiser professional organizations. The Appraisal Foundation develops appraisal standards which the regulatory agencies must use as minimum standards for federally related transactions and it develops qualification criteria for appraisers.

(3) "Appraisal Subcommittee" means a committee created by Title XI. It monitors all activities related to the implementation of Title XI.

(4) "Appraisal Standards Board" means a board established by the Appraisal Foundation for the purpose of developing, publishing, interpreting and amending the Uniform Standards of Professional Appraisal Practice.

(5) "The Uniform Standards of Professional Appraisal Practice (USPAP)" means the current edition of the publication in force of the Appraisal Standards Board (ASB) of the Appraisal Foundation. USPAP is the applicable standard for all appraisal practice in the state of Washington regulated under the provisions of chapter 18.140 RCW.

(6) "Appraiser qualifications board" means a board of the Appraisal Foundation for the purpose of developing, publishing, interpreting and amending the real property appraiser qualification criteria.

(7) "Real property appraiser qualification criteria" means the minimum criteria establishing the minimum education, experience and examination requirements for real property appraisers to obtain a state certification as established by the appraiser qualifications board (AOB) of the Appraisal Foundation under the provisions of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989, and any additional qualifying criteria established by the director in accordance with chapter 18.140 RCW.

(8) "Classroom hour" means fifty minutes out of each sixty minute hour.

~~((16))~~ (9) "Full-time" means the equivalent twelve-month period in which an applicant works at least one thousand hours in real estate appraisal.

~~((17))~~ "Licensed or residential real estate appraiser" classification applies to those individuals qualified to appraise one to four residential units.

~~(18)~~ "General real estate appraiser" classification applies to those individuals qualified to appraise all types of real property.

~~(19)~~ "Federally related transaction" means any real estate-related financial transaction which Federal Financial Institutions Regulatory Agency (FFIRA) or the Resolution Trust Company (RTC) engages in, contracts for, or regulates and which requires the services of an appraiser.

~~(20)~~ "Real estate related financial transaction" means any transaction involving:

~~(a)~~ The sale, lease, purchase, investment in, or exchange of real property, including interests in property or the financing thereof;

~~(b)~~ The refinancing of real property or interests in real property; and

~~(c)~~ The use of real property or interest in property as security for a loan or investment, including mortgage-backed securities.

~~(21))~~ (10) "Required core curriculum" means a set of appraiser subject matter areas (known as "modules") that require a specified number of educational hours at each credential level as established by the appraiser qualifications board.

(11) "Module" means an appraisal subject matter area (and required hours of coverage) as identified in the required core curriculum.

(12) "Residential properties" means one to four single family residential units and lots where the highest and best use is for one to four family purposes.

~~((22))~~ "Review" means the act or process of critically studying an appraisal report prepared by another.)) (13) "Significant professional appraisal assistance" means the work contributed or performed toward the completion of an appraisal report by either a trainee, state-licensed, or state-certified appraiser, while under the direct supervision of a certified residential appraiser or certified general appraiser as required by the department as qualifying appraisal experience for licensing. Significant professional appraisal assistance shall consist of identifying and analyzing the scope of work, collection of data, analyzing data to derive an opinion of value, and writing the appraisal report in accordance with the *Uniform Standards of Professional Appraisal Practice*.

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

WAC 308-125-020 Application process to take examination. (1) Any person desiring to take an examination for licensure or certification as a state-licensed or state-certified residential real estate appraiser, or as a state-certified general real estate appraiser, must submit a completed examination application with supporting documents and appropriate fee to the department of licensing, business and professions division, at its official address. After the qualifications for the examination have been verified by the department, the applicant shall submit the preapproved examination application, the request for examination and the appropriate fee to the testing service approved by the director.

(2) ~~((An applicant must, as of the date his/her application is filed with the department,))~~ At the time of filing with the department, an application for a state license or certification, the applicant shall possess the requisite ((two years (twenty-four months) and two thousand)) hours of verifiable real estate appraisal experience((: Provided, That effective January 1, 1998, the applicant must possess the verifiable real estate appraisal experience as required by the examination prerequisite for the requested classification)). Experience shall be acquired within the requisite time. Qualifying experience shall consist of significant professional appraisal assistance under the supervision of a certified appraiser within the boundaries of the state of Washington except as referenced in WAC 308-125-....

(3) An application and ~~((the nonrefundable application))~~ fee shall be valid for six months from receipt by the department. An applicant may correct any discrepancies in the application other than experience during this six-month period. After six months, if the applicant has not met the prerequisites to sit for the licensure or certification examination, the applicant must submit a new application with the appropriate fee.

(4) Dishonored checks will be considered as an incomplete application.

(5) An applicant shall forfeit all examination fees for any examination or examinations for which the applicant has applied and does not take for any reason, other than through the fault or mistake of the department of licensing or the approved testing agency.

NEW SECTION

WAC 308-125-025 Application process to register as a real estate appraiser trainee. (1) As a prerequisite to registration, the applicant shall present evidence satisfactory to the director

of successful completion of the appraiser qualifications board module of qualifying core curriculum of approved qualifying education modules:

- (a) Basic appraisal principles, thirty hours.
- (b) Basic appraisal procedures, thirty hours.
- (c) The National USPAP course or equivalent fifteen hours.

(2) Application for registration as a trainee from persons who have had either a real estate license or real estate appraiser license suspended or revoked shall not be accepted by the department until after the time period of the suspension or revocation has expired.

(3) An applicant for registration as a trainee shall present a completed registration form together with the appropriate fee and copies of core curriculum course completion certificates to the director prior to issuance of the approved trainee registration certificate.

(4) Registration as a trainee may be denied for unprofessional conduct as provided in RCW 18.235.130.

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

WAC 308-125-030 Examination prerequisite general classification. The general real estate appraiser classification applies to the appraisal of all types of real property.

(1) As a prerequisite to taking the examination for certification as a state-certified general real estate appraiser, an applicant shall present evidence satisfactory to the director that he/she has successfully completed not less than one hundred ~~((sixty-five))~~ eighty classroom hours of ~~((courses in subjects related to real estate appraisal))~~ qualifying education as approved by the director. Each applicant must successfully complete a thirty classroom hour course in the basic principles of real estate appraising and a fifteen classroom hour course in the Uniform Standards of Professional Appraisal Practice as part of the one hundred ~~((sixty-five))~~ eighty classroom hours of course work: Provided, That effective ~~((January 1, 1998))~~ November 1, 2007, the required number of classroom hours is ~~((one hundred eighty-~~

~~(2) An original certification as a state-certified general real estate appraiser shall not be issued to any person who does not possess two years (twenty-four months) of experience as a full-time real estate appraiser in Washington or in another state having comparable certification requirements within the five years immediately preceding the filing of the application for examination and certification. An applicant may accumulate the required experience over the preceding five years, however, a minimum of two years (twenty-four months) is required. Provided, That effective January 1, 1998, this provision shall read:))~~ three hundred in the

following core modules:

- (a) Basic appraisal principles, thirty hours.
- (b) Basic appraisal procedures, thirty hours.
- (c) The National USPAP course or equivalent, fifteen hours.
- (d) General appraiser market analysis and highest and best use, thirty hours.
- (e) Statistics, modeling and finance, fifteen hours.
- (f) General appraiser sales comparison approach, thirty hours.
- (g) General appraiser site valuation and cost approach, thirty hours.
- (h) General appraiser income approach, sixty hours.
- (i) General appraiser report writing and case studies, thirty hours.
- (j) Appraisal subject matter electives, thirty hours.

An original certification as a state-certified general real estate appraiser shall not be issued to any person who does not possess three thousand hours of appraisal experience obtained continuously over a period of not less than thirty months in Washington or in another state having comparable certification requirements.

(3) To fulfill the experience requirement, a candidate must have at least ~~((one thousand hours, accumulated over the previous five years, of nonresidential appraisal experience. Provided, That effective January 1, 1998, to fulfill the experience requirement, a candidate must have at least))~~ one thousand five hundred hours of nonresidential appraisal experience.

~~(4) ((The content for courses required prerequisite to taking the examination for certification as a state-certified general real estate appraiser must include coverage of all topics listed below, with particular emphasis on the appraisal of nonresidential properties:~~

- ~~(a) Influences on real estate value.~~
- ~~(b) Legal considerations in appraisal.~~
- ~~(c) Types of value.~~
- ~~(d) Economic principles.~~
- ~~(e) Real estate markets and analysis.~~
- ~~(f) Valuation process.~~
- ~~(g) Property description.~~
- ~~(h) Highest and best use analysis.~~
- ~~(i) Appraisal math and statistics.~~
- ~~(j) Sales comparison approach.~~
- ~~(k) Site value.~~
- ~~(l) Cost approach.~~
- ~~(m) Income approach.~~
- ~~(i) Estimation of income and expenses.~~
- ~~(ii) Operation statement ratios.~~
- ~~(iii) Direct capitalization.~~
- ~~(iv) Cash flow estimates.~~
- ~~(v) Measures of cash flow.~~
- ~~(vi) Discounted cash flow analysis.~~
- ~~(n) Valuation of partial interests.~~
- ~~(o) Appraisal standards and ethics.~~
- ~~(p) Narrative report writing.~~

~~Preexamination review seminars or examination preparation seminars will not be approved for clock hour credit.))~~ Effective January 1, 2008, applicants for the certified general license must possess a bachelor's degree or higher in any field of study or, in lieu of the required degree, thirty semester credit hours covering the following subject matter courses:

- (a) English composition;
 - (b) Principles of economics (micro or macro);
 - (c) Finance;
 - (d) Algebra, geometry or, higher mathematics;
 - (e) Statistics;
 - (f) Introduction to computers: Word processing/spreadsheets;
 - (g) Business or real estate law; and
 - (h) Two elective courses in accounting, geography, agricultural economics, business management, or real estate;
- as approved by the appraiser qualifications board and the director, in addition to the required qualifying core curriculum requirements.

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

WAC 308-125-040 Examination prerequisite state-certified residential classification. The state-certified residential real estate appraiser classification applies to appraisals of all types of residential property of one to four units without regard to transaction value or complexity and nonresidential property having a transaction value less than two hundred fifty thousand dollars.

(1) As a prerequisite to taking the examination for certification as a state-certified residential real estate appraiser, an applicant shall present evidence satisfactory to the director that he/she has successfully completed not less than one hundred twenty classroom hours of (~~courses in subjects related to real estate appraisal~~) qualifying education as approved by the director. Each applicant must successfully complete a thirty classroom hour course in the basic principles of real estate appraising and a fifteen classroom hour course in the Uniform Standards of Professional Appraisal Practice as part of the one hundred twenty classroom hours of course work(~~-~~

~~(2) An original certification as a state-certified residential real estate appraiser shall not be issued to any person who does not possess two years of experience as a full-time real estate appraiser in Washington or in another state having comparable certification requirements within five years immediately preceding the filing of the application for examination and certification. An applicant may accumulate the required experience over the preceding five years, however a minimum of two years (twenty-four months) is required)):~~ Provided, That effective January 1, (~~1998,~~

~~this provision shall read:))~~ 2007, the required number of classroom hours is two hundred in the following core modules:

- (a) Basic appraisal principles, thirty hours.
- (b) Basic appraisal procedures, thirty hours.
- (c) The National USPAP course or equivalent, fifteen hours.
- (d) Residential market analysis and highest and best use, fifteen hours.
- (e) Residential appraiser site valuation and cost approach, fifteen hours.
- (f) Residential sales comparison and income approaches, thirty hours.
- (g) Residential appraiser report writing and case studies, fifteen hours.
- (h) Statistics, modeling and finance, fifteen hours.
- (i) Advanced residential applications and case studies, fifteen hours.
- (j) Appraisal subject matter electives, twenty hours.

(2) An original certification as a state-certified residential real estate appraiser shall not be issued to any person who does not possess two thousand five hundred hours of appraisal experience obtained continuously over a period of not less than twenty-four months in Washington or in another state having comparable certification requirements.

~~(3) ((The content for courses required prerequisite to taking the examination for certification as a state-certified residential real estate appraiser must include coverage of all the topics listed below with particular emphasis on the appraisal of one to four unit residential properties:~~

- ~~(a) Influences on real estate value.~~
- ~~(b) Legal considerations in appraisal.~~
- ~~(c) Types of value.~~
- ~~(d) Economic principles.~~
- ~~(e) Real estate markets and analysis.~~
- ~~(f) Valuation process.~~
- ~~(g) Property description.~~
- ~~(h) Highest and best use analysis.~~
- ~~(i) Appraisal statistical concepts.~~
- ~~(j) Sales comparison approach.~~
- ~~(k) Site value.~~
- ~~(l) Cost approach.~~
- ~~(m) Income approach.~~
- ~~(i) Gross rent multiplier analysis.~~
- ~~(ii) Estimation of income and expenses.~~
- ~~(iii) Operating expense ratios.~~
- ~~(iv) Direct capitalization.~~
- ~~(n) Valuation of partial interests.~~
- ~~(o) Appraisal standards and ethics.~~
- ~~(p) Narrative report writing.~~

~~Preexamination review seminars or examination preparation seminars will not be approved for clock-hour credit.))~~ Effective January 1, 2008, certified residential real estate appraiser applicants must possess an associate's degree or higher in any field of study or, in lieu of the required degree, twenty-one

semester credit hours covering the following subject matter courses:

- (a) English composition;
 - (b) Principles of economics (micro or macro);
 - (c) Finance;
 - (d) Algebra, geometry or, higher mathematics;
 - (e) Statistics;
 - (f) Introduction to computers: Word processing/spreadsheets;
- and
- (g) Business or real estate law;
- as approved by the appraiser qualifications board and the director, in addition to the required core curriculum.

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

WAC 308-125-045 Examination prerequisite state-licensed classification. The state-licensed real estate appraiser classification applies to appraisal of noncomplex one to four residential units having a transaction value less than one million dollars and complex one to four residential units having a transaction value less than two hundred fifty thousand dollars and nonresidential property having a transaction value less than two hundred fifty thousand dollars.

(1) As a prerequisite to taking the examination for certification as a state-licensed real estate appraiser, an applicant shall present evidence satisfactory to the director that he/she has successfully completed not less than ~~((seventy-five))~~ ninety classroom hours of courses in ~~((subjects related to real estate appraisal))~~ qualifying education as approved by the director. Each applicant must successfully complete a thirty classroom hour course in the basic principles of real estate appraising and a fifteen classroom hour course in the Uniform Standards of Professional Appraisal Practice as part of the ~~seventy-five~~ classroom hours of course work: Provided, That effective January 1, ~~((1998))~~ 2007, the required number of classroom hours is ~~((ninety-~~

~~(2) An original certification as a state-licensed real estate appraiser shall not be issued to any person who does not possess two years of experience as a full-time real estate appraiser in Washington or in another state having comparable certification requirements within five years immediately preceding the filing of the application for examination and certification. An applicant may accumulate the required experience over the preceding five years; however a minimum of two years (twenty-four months) is required. Provided, That effective January 1, 1998, this provision shall read:))~~ one hundred fifty in the following core modules:

- (a) Basic appraisal principles, thirty hours.

- (b) Basic appraisal procedures, thirty hours.
- (c) The National USPAP course or equivalent, fifteen hours.
- (d) Residential market analysis and highest and best use, fifteen hours.
- (e) Residential appraiser site valuation and cost approach, fifteen hours.
- (f) Residential sales comparison and income approaches, thirty hours.
- (g) Residential appraiser report writing and case studies, fifteen hours.

(2) An original certification as a state-licensed real estate appraiser shall not be issued to any person who does not possess two thousand hours of appraisal experience obtained continuously over a period of not less than twenty-four months in Washington or in another state having comparable certification requirements.

~~((3) The content for courses required prerequisite to taking the examination for certification as a state-licensed real estate appraiser must include coverage of all the topics listed below with particular emphasis on the appraisal of one to four unit residential properties:~~

- ~~(a) Influences on real estate value.~~
- ~~(b) Legal considerations in appraisal.~~
- ~~(c) Types of value.~~
- ~~(d) Economic principles.~~
- ~~(e) Real estate markets and analysis.~~
- ~~(f) Valuation process.~~
- ~~(g) Property description.~~
- ~~(h) Highest and best use analysis.~~
- ~~(i) Appraisal statistical concepts.~~
- ~~(j) Sales comparison approach.~~
- ~~(k) Site value.~~
- ~~(l) Cost approach.~~
- ~~(m) Income approach.~~
- ~~(i) Gross rent multiplier analysis.~~
- ~~(ii) Estimation of income and expenses.~~
- ~~(iii) Operating expense ratios.~~
- ~~(n) Valuation of partial interests.~~
- ~~(o) Appraisal standards and ethics.~~

~~Preexamination review seminars or examination preparation seminars will not be approved for clock hour credit.))~~

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

- WAC 308-125-050 Educational courses--Preexamination.** (1)
~~((In order for courses))~~ To be accepted under WAC 308-125-030(1), 308-125-040(1), and 308-125-045(1), courses must:
- (a) Be a minimum of fifteen classroom hours in length;

- (b) Include an examination; ((and))
 - (c) Be directly related to real estate appraising;
 - (d) Be approved by the director as identified in the appraiser program's publication Approved Courses, Real Estate Appraisers; or
 - (e) Be approved by the appraiser qualifications board and approved by the director.
- (2) The following limitations may apply to course work submitted to the department for approval:
- (a) A correspondence course may be acceptable to meet classroom hour requirements only if each course meets the following conditions:
 - (i) The course has been presented by an accredited college or university which offers correspondence courses in other disciplines;
 - (ii) An individual successfully completes a written examination administered at a location by an official approved by the college or university; ((and)) or
 - (iii) The content and length of the course meet the requirements for real estate appraisal-related courses established by the appraiser qualifications board and approved by the director.
 - (b) Video and remote television educational courses may be used to meet the classroom hour requirements only if each course meets the following conditions:
 - (i) The course has been presented by an accredited college or university which offers similar courses in other disciplines;
 - (ii) An individual successfully completes a written examination administered at a location by an official approved by the college or university; ((and)) or
 - (iii) The content and length of the course meet the requirements for real estate appraisal-related courses established by the appraiser qualifications board and approved by the director.
 - (c) An applicant shall not receive "dual credit" for courses that have the same or very similar content and are deemed comparable by the department, even if an applicant completes the courses through different course providers.
- (3) Copies of official transcript of college records or certificates of course completion will be considered as satisfactory evidence for education requirements.
- (4) Preexamination review seminars or examination preparation seminars will not be approved for clock hour credit.
- (5) An application shall be submitted for approval not less than ninety days preceding the course start date. Course approval expiration shall be three years from the date of approval, except for the Uniform Standards of Professional Appraisal Practice courses or seminars having a definite date.
- (6) All courses approved by the appraiser qualifications board will continue to be accepted by the department as approved courses until the expiration date.
- (7) Appraisal course providers who have received the appraiser qualifications board's course approval are not required to submit course material or content materials to the department for

approval. The course provider shall submit a secondary provider course content approval application to the department.

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

WAC 308-125-065 Education(~~/experience~~) credit for teachers of approved real estate appraisal courses. (1) An applicant may receive education credit for teaching an approved real estate appraisal course. One hour of education credit for each hour of teaching an approved real estate appraisal course shall be given.

(2) ~~((An applicant may receive experience credit for teaching an approved real estate appraisal course. One hour of experience credit for each hour of teaching an approved real estate appraisal course shall be given. Provided, That this provision will expire on January 1, 1998.~~

~~(3))~~ Once an applicant has received credit for teaching an approved real estate appraisal course, an applicant shall not receive credit for teaching that course or any substantially similar course on any subsequent occasion.

~~((4) Credit for teaching an approved real estate appraisal course may be used to satisfy education or experience credit, but shall not be used to satisfy both. Provided, That this provision will expire on January 1, 1998.))~~

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

WAC 308-125-070 Experience requirements. (1) A minimum of two years (twenty-four months) full-time experience ~~((is required. To attain the requisite experience an applicant may accumulate hours worked during the preceding five years;))~~ within five years of application is required for the state licensed and certified residential appraiser. Certified general applicants must accumulate three thousand hours within a minimum of thirty months and a maximum of seven years. However, no more than one thousand five hundred hours may be credited in any consecutive twelve-months ~~((period. Provided, That this provision will expire on January 1, 1998))~~ for any of the licensing categories.

(2) Any work product claimed for experience credit dated January 1, 1990, and later shall conform to the Uniform Standards of Professional Appraisal Practice~~((: Provided, That effective January 1, 1998, the relevant year is 1991.~~

~~(3) Any work product claimed for experience credit dated prior~~

to January 1, 1990, shall conform to the following standards: Provided, That effective January 1, 1998, the relevant year is 1991)) in effect at the time the appraisal is completed.

- (a) Reports shall be in writing.
- (b) ~~((Reports shall contain the legal address of the subject property.~~
- (c) ~~Reports shall state the effective date of the appraisal.~~
- (d) ~~Reports shall contain a definition of value to be estimated.~~
- (e) ~~Reports shall contain a certification signed by the appraiser.~~
- (f) ~~Reports shall contain a description of the site, land, or buildings as applicable.~~
- (g) ~~Reports shall address all three approaches to value by either utilization of the approach or indication that the approach is not applicable or inappropriate to the specific property.~~
- (h) ~~Reports shall include adjustments and the value of the direct sales for the direct sales approach, which either sets forth the reasoning for value or states that the value is evident in ancillary supporting documentation or the report.~~
- (i) ~~Reports shall include analysis of market rents, expenses, vacancy rates, and capitalization rates when the income approach is used.~~
- (j) ~~Reports shall include analysis of building costs and site value when the cost approach is used.~~
- (k) ~~Reports shall include reasoning and supporting documentation for the final value estimate.~~
- (l) ~~Reports shall be signed and dated by the appraiser.~~
- (4) ~~An appraiser applying for certification must verify his/her completion of the required experience via affidavit, under oath subject to penalty of perjury on a form provided by the department.~~

~~To demonstrate experience the department may require submission of a log which details hours claimed for experience credit. The department may also require an affidavit from an employer concerning the applicant's length of experience.~~

~~(5) An appraiser performing appraisal work enabling the appraiser to apply for appraisal experience on an hourly basis, includes, but is not limited to, the following:~~

~~Fee and staff appraisal, ad valorem tax appraisal, technical review appraisal, appraisal analysis, real estate consulting, highest and best use analysis, feasibility analysis/study, condemnation/study, teacher of appraisal courses: Provided, That effective January 1, 1998, experience credit for teachers is not available.~~

~~(6) The department reserves the right to contact an employer for confirmation of experience claimed. This will require an employer to confirm via affidavit the experience of an applicant.~~

~~(7) The department may request submission of written reports or file memoranda claimed by the applicant in the applicant's application for experience credit.)) An appraisal work file must be available to the director to substantiate work performed.~~

(3) The department may request appraiser work files to verify,

confirm, or compare entries made on the experience log. Failure to provide work files to the department upon its request may disqualify the reports as qualifying experience.

(4) An applicant for certification or license shall certify, under penalty of perjury, the completion of the required experience.

(5) Appraisal work qualifying for appraisal experience includes, but is not limited to, the following: Fee and staff appraisal, ad valorem tax appraisal, appraisal review, appraisal analysis, appraisal consulting, highest and best use analysis, feasibility analysis/study.

(6) The department may require a supervisory appraiser to certify, under penalty of perjury, the applicant's work experience.

(7) The department may request written reports or work files to verify an applicant's experience.

AMENDATORY SECTION (Amending WSR 97-02-004, filed 12/20/96, effective 1/20/97)

WAC 308-125-075 Allowed credits for appraisal experience.

(1) The department shall not grant to state-licensed or state-certified appraisers and applicants experience credits for appraisal experience that exceeds the following hourly allotments for each appraisal:

((a) Single family residential (noncomplex)	12 hours
(b) Single family residential (complex & 2-4)	20 hours
(c) Single family lot (URAR form)	8 hours
(d) Single family lot (narrative)	10 hours
(e) Large land tract (not subdivided)	25 hours
(f) Subdivisions	60 hours
(g) Improved commercial/industrial land	25 hours
(h) Commercial (form)	40 hours
(i) Commercial (narrative)	80 hours
(j) Regional mall/high rise office bldg/Hotel	120 hours
(k) Technical appraisal review (single family)	4 hours
(l) Technical appraisal review (commercial)	16 hours
(m) Feasibility study	80 hours
(n) Real estate consulting (nonresidential)	40 hours
(o) Agricultural	60 hours))

(a) <u>Single family residential - exterior form report</u>	<u>6 hours</u>
(b) <u>Single family residential - form report</u>	<u>12 hours</u>
(c) <u>Multifamily residential - form report</u>	<u>20 hours</u>
(d) <u>Residential lot 1 acre or less</u>	<u>8 hours</u>
(e) <u>Land tract less than or equal to 40 acres</u>	<u>16 hours</u>
(f) <u>Short plats</u>	<u>20 hours</u>
(g) <u>Land tract 41-160 acres</u>	<u>24 hours</u>
(h) <u>Land tract 161-640+ acres</u>	<u>36 hours</u>
(i) <u>Subdivisions</u>	<u>60 hours</u>
(j) <u>Commercial/industrial land</u>	<u>25 hours</u>
(k) <u>Commercial - form report</u>	<u>40 hours</u>
(l) <u>Commercial - narrative report</u>	<u>80 hours</u>
(m) <u>Regional mall/high rise office bldg./Hotel</u>	<u>120 hours</u>
(n) <u>Appraisal review (single family) (not applicable to trainees)</u>	<u>12 hours</u>
(o) <u>Appraisal review (commercial) (not applicable to trainees)</u>	<u>40 hours</u>
(p) <u>Feasibility study</u>	<u>80 hours</u>
(q) <u>Appraisal consulting (nonresidential)</u>	<u>40 hours</u>
(r) <u>Agricultural</u>	<u>60 hours</u>

(2) The department shall not grant to state-licensed or state-certified appraisers and applicants experience credits for Eminent Domain Appraisals that exceed the following hourly allotments for each appraisal:

(a) Vacant (single family lot)	((32)) <u>24</u> hours
(b) Vacant (large land tract)	((40)) <u>32</u> hours
(c) Single family residential	((56)) <u>42</u> hours
(d) Multifamily residential	((80)) <u>60</u> hours
(e) Agricultural (improved)	((96)) <u>72</u> hours
(f) Industrial (improved)	((96)) <u>72</u> hours
(g) Commercial (improved)	((96)) <u>72</u> hours
(h) Very complex damages or benefits	((160)) <u>120</u> hours
(i) Special purpose improved	((72)) <u>54</u> hours

(3) The department shall not grant to state-licensed or state-certified appraisers and applicants experience credits for Eminent Domain ~~((Technical))~~ Appraisal Reviews that exceed the following

hourly allotments for each appraisal:

(a) Vacant (single family lot)	8 hours
(b) Vacant (large land tract)	12 hours
(c) Single family residential	16 hours
(d) Multifamily residential	24 hours
(e) Agricultural (improved)	((32)) <u>40</u> hours
(f) Industrial (improved)	((30)) <u>40</u> hours
(g) Commercial (improved)	((30)) <u>40</u> hours
(h) Very complex damages or benefits	((40)) <u>50</u> hours
(i) Special purpose improved	((24)) <u>40</u> hours

(4) Experience credits for appraisal experience not listed in subsections (1), (2), or (3) shall be determined by the department on a case-by-case basis.

AMENDATORY SECTION (Amending WSR 03-14-091, filed 6/30/03, effective 7/31/03)

WAC 308-125-090 Continuing education required. (1) As a prerequisite to renewal of certification or licensure, the holder of a certificate or license shall present evidence satisfactory to the director of successful completion of the continuing education requirements of this section.

(2) The continuing education requirements for renewal of certification or licensure shall be the completion by the applicant of twenty-eight hours of instruction in courses or seminars which have received the approval of the director. Courses must be completed within the term of certification or licensure immediately preceding renewal. An applicant shall not receive credit in consecutive renewals for courses that have the same or very similar content and are deemed comparable by the department. The holder of a certificate or license will present evidence of successful completion of the seven-hour National USPAP update course or its equivalent (~~(, or the fifteen-hour National USPAP course every renewal)~~).

(3) In order for courses or seminars to be accepted under subsection (2) of this section, the course or seminar must be a minimum of two hours in length and be directly related to real estate appraising. However, a maximum of one-half of the continuing education hours required for renewal can be in two-hour seminars or courses.

(4) An examination is not required for courses or seminars

taken for continuing education classroom hours. ((The exception is the fifteen-hour Uniform Standards of Professional Appraisal Practice (USPAP) course when required by the course provider.))

(5) The requirement under subsection (2) of this section may be met by participation other than as a student in educational process and programs approved by the director including teaching, program development, and authorship of textbooks and other written instructional materials.

(6) Courses or seminars taken to satisfy the continuing education requirement for general real estate appraisers, should include coverage of real estate appraisal related topics, such as:

(a) Ad valorem taxation.

(b) Arbitrations.

(c) Business courses related to practice of real estate appraisal.

(d) Construction estimating.

(e) Ethics and standards of professional practice.

(f) Land use planning, zoning, and taxation.

(g) Management, leasing, brokerage, timesharing.

(h) Property development.

(i) Real estate appraisal (valuations/evaluations).

(j) Real estate financing and investment.

(k) Real estate law.

(l) Real estate litigation.

(m) Real estate related computer applications.

(n) Real estate securities and syndication.

(o) Real property exchange.

(p) Such other presentations approved by the director.

(7) Courses or seminars taken to satisfy the continuing education requirement for residential real estate appraisers should include coverage of real estate appraisal related topics, such as:

(a) Ad valorem taxation.

(b) Business courses related to practice of real estate appraisal.

(c) Construction estimation.

(d) Ethics and standards of professional practice.

(e) Land use planning, zoning, taxation.

(f) Property development.

(g) Real estate financing and investment.

(h) Real estate law.

(i) Real estate related computer applications.

(j) Real estate securities and syndication.

(k) Real property exchange.

(l) Real estate feasibility and marketability studies.

(m) ((Such other presentations approved by the director.

~~(n) Real estate securities and syndication.~~

~~(o) Real estate property exchange.~~

~~(p))~~ Such other presentations approved by the director.

(8) Courses or seminars taken to satisfy the continuing education requirement for licensed real estate appraisers should include coverage of real estate appraisal related topics, such as:

(a) Ad valorem taxation.

(b) Arbitration.

(c) Business courses related to practice of real estate appraisal.

(d) Construction estimating.

(e) Ethics and standards of professional practice.

(f) Land use planning, zoning, and taxation.

(g) Management, leasing brokerage, timesharing.

(h) Property development.

(i) Real estate appraisal (valuations/evaluations).

(j) Real estate law.

(k) Real estate litigation.

(l) Real estate financing and investment.

(m) Real estate appraisal related computer applications.

(n) Real estate securities and syndication.

(o) Real property exchange.

(p) Such other presentations approved by the director.

(9) The director may approve continuing education credit for attendance at the real estate appraiser commission meeting of no more than two hours.

NEW SECTION

WAC 308-125-095 Responsibilities of the appraiser supervisor.

(1) A certified real estate appraiser licensed by the state of Washington may supervise trainees in accordance with the following provisions:

(a) Not more than three real estate appraiser trainees may be supervised in accordance with the appraiser qualifications board standards unless written authorization by the department is granted to exceed that number of trainees at any one time.

(b) Supervision of trainees in the process of appraising real property shall occur within the boundaries of the state of Washington and comply with jurisdictional and established agreements with other states. If a trainee is supervised by a certified appraiser who is licensed in both the state of Washington and with another state or has a temporary license in another state; and the trainee is registered as a trainee in that other state by either temporary permit, license, or registration, then the appraisal assignments shall qualify as work experience on the experience log.

(c) Authorization to exceed supervision of three trainees may be granted by the director upon approval of a written request and under the provisions of WAC 308-125-. . . .

(d) A registered real estate appraiser trainee may assist in the completion of an appraisal report, including determination of an opinion of value and may sign the appraisal report, provided that he/she is actively and personally supervised by a state-certified real estate appraiser, and provided that the appraisal report is reviewed and signed by the state-certified real estate

appraiser; and provided the state-certified appraiser accepts total responsibility for the appraisal report.

(e) The certified appraiser shall:

(i) Personally inspect with the trainee, at a minimum, the interior of twenty-five subject properties.

(ii) Personally review and verify each appraisal report prepared by the trainee as entered on the trainee experience log as qualifying work experience prior to the log being submitted to the department by the supervised trainee.

(iii) Personally review and verify each appraisal report prepared by a state licensed or certified residential appraiser as entered on the qualifying work experience log prior to the log being submitted to the department by the licensee.

(iv) Comply with all USPAP requirements.

(v) Maintain a separate "properties inspected with trainee" log for each supervised trainee. This log must be made available to the department upon request and is to be submitted with trainee's application for license or certification.

(2) Authorization may be granted by the director to a certified appraiser to exceed the number of trainees allowed to be supervised providing:

(a) The certified appraiser has more than five years certified experience.

(b) The certified appraiser shall make a written application to the department requesting to supervise not more than three trainees with less than one year experience; and three trainees with more than one year experience; and five trainees with greater than two years experience. The total number of supervised trainees shall not exceed eight for all experience levels at any one time.

(c) The certified appraiser shall prepare and maintain trainee progress reports and make them available to the department until such time as the trainee becomes certified or licensed or after two years has lapsed since supervising the trainee.

(d) The certified appraiser shall provide to the department a mentoring plan for consideration prior to the department authorizing supervision of more than three trainees.

AMENDATORY SECTION (Amending WSR 93-17-020, filed 8/10/93, effective 9/10/93)

WAC 308-125-110 ((Address change-)) Business location and/or physical address and mailing address. It is the responsibility of each applicant ((state-licensed and certified)) state-certified and licensed real estate appraiser, and registered real estate appraiser trainee to notify the department ((of licensing, real estate appraiser program unit,)) of a change of business ((address)) location and/or physical and mailing address for receiving certified mail and service documents. Change of address

notification shall be made within ten days of the change of address. If appraisal work files are stored at another location from the appraiser's place of business then such location shall be reported to the director upon request.

AMENDATORY SECTION (Amending WSR 02-03-011, filed 1/4/02, effective 5/1/02)

WAC 308-125-120 Fees and charges. The following fees shall be paid under the provisions of chapter 18.140 RCW:

Title of Fee	Fee
(1) Application for examination	\$246.00
(2) Examination	((+100.00)) <u>106.00**</u>
(3) Reexamination	((+100.00)) <u>106.00**</u>
(4) Original certification	206.00*
(5) Certification renewal	407.00*
(6) Late renewal penalty	38.00
(7) Duplicate certificate	28.00
(8) Certification history record	27.00
(9) Application for reciprocity	246.00
(10) Original certification via reciprocity	206.00*
(11) Temporary practice	150.00
(12) <u>Trainee registration</u>	<u>100.00</u>
(13) <u>Trainee registration renewal</u>	<u>100.00</u>

* Proposed fees for these categories marked with an asterisk include an estimated \$25.00 to be submitted by the state to Federal Government. Title XI, SEC. 1109 requires each state to submit a roster listing of state certified appraisers to the Appraiser Subcommittee "no less than annually." The state is also required to collect from such individuals who perform appraisals in federally related transactions, an annual registry fee of "not more than \$50," such fees to be transmitted by the state to the federal government on an annual basis.

** Charges for categories marked with a double asterisk are determined by contract with an outside testing service.

AMENDATORY SECTION (Amending WSR 05-05-097, filed 2/16/05, effective 3/19/05)

WAC 308-125-200 Standards of practice. (1) The standard of practice governing real estate appraisal activities will be the ((2005)) edition of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation in effect on the date of the appraisal report. A copy of the Uniform Standards of Professional Appraisal Practice is available for review and inspection at the office of the Real Estate Appraiser Unit Office, Olympia,

Washington. The Uniform Standards of Professional Appraisal Practice is a copyright document. Copy of the full text may be obtained from the Appraisal Foundation at The Appraisal Foundation, P.O. Box 96734, Washington, DC 20090-6734.

(2) Expert review appraisers as defined by RCW 18.140.010(11) while performing expert reviews pursuant to chapter 18.140 RCW are ~~((exempt from))~~ required to comply with the Uniform Standards of Professional Appraisal Practice, Standard 3 review provisions while performing expert reviews for the director.

AMENDATORY SECTION (Amending WSR 93-17-020, filed 8/10/93, effective 9/10/93)

WAC 308-125-210 Required records--Accessibility of records to the department of licensing. All appraisers certified or licensed under chapter 18.140 RCW must retain records required by the Uniform Standards of Professional Appraisal Practice for a minimum of five years or at least two years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever period expires last. Such records will be subject to random audit by the department without notice and must be readily available for inspection by a representative of the department.

AMENDATORY SECTION (Amending WSR 93-17-020, filed 8/10/93, effective 9/10/93)

WAC 308-125-225 Meetings--Notice. The real estate appraiser ~~((advisory committee))~~ commission meets at the call of the director. ~~((Individuals desiring notice of the date, time, location, and agenda of the meetings must make a written request to the real estate appraiser program.))~~ Regular meetings are scheduled in February, May, August and November on the third Friday. Department requirements may necessitate altering scheduled meetings in accordance with RCW 42.30.075. Special meetings are in accordance with RCW 42.30.080.